

banks, but brought much that was in private hoards into the market¹

Some conception of the reduction in exchanges caused by the panic may be gathered from the shrinkage of the transactions of the New York Clearing House from \$34,421,380,-870 for the year ending October 1, 1893, to \$24,230,145,368 for the year ending October 1, 1894. A comparison for the prosperous month of October, 1892, with the same month of 1893, showed a shrinkage in the clearing transactions of the leading cities of the United States from \$5,501,901,592 to \$4,043,510,662. The clearings throughout the leading cities of the country showed a shrinkage from \$58,880,682,-455 for the year ending September 30, 1893, which included a part of the period of panic, to \$45,017,960,736 for the year ending September 30, 1894. The failures throughout the country increased from 10,270, with liabilities of \$108,500,-000, in 1892, to 15,560, with liabilities of \$402,400,000, in 1894.

The shrinkage in money values was as marked as in the volume of exchanges. Securities which had been considered the safest ceased to pay dividends and fell rapidly in value in the hands of the holders. The Erie, the Philadelphia and Reading, the Atchison, Topeka and Santa Fe, and the Union Pacific were among the great railway systems, representing hundreds of millions of obligations, which passed into the hands of receivers. Railway earnings fell \$147,390,077 during the year ending June 30, 1894, as compared with the previous year, or 12.07 per cent, of the gross earnings. Hundreds of millions of invested capital thus ceased to be productive, and those who had fancied themselves in the

¹ The surprising thing about this suspension of cash payments by some of the banks was that little public complaint was made about it. The business public seemed to recognize it as a necessary condition of the panic, although it is doubtful if it was necessary. Some of the banks continued to meet all demands for currency and nearly all paid small checks. It was estimated that \$15,000,000 in currency was sold in New York during the crisis.—Alex. D. Noyes, *Political Science Quarterly*, IX., 29.